VZCZCXRO7842 OO RUEHCN RUEHGH DE RUEHIN #0197/01 0250848 ZNY CCCCC ZZH O 250848Z JAN 07 FM AIT TAIPEI TO RUEHC/SECSTATE WASHDC IMMEDIATE 3864 INFO RUEHBJ/AMEMBASSY BEIJING 6273 RUEHUL/AMEMBASSY SEOUL 8419 RUEHKO/AMEMBASSY TOKYO 8430 RUEHWL/AMEMBASSY WELLINGTON 1706 RUEHCN/AMCONSUL CHENGDU 1648 RUEHGZ/AMCONSUL GUANGZHOU 9941 RUEHHK/AMCONSUL HONG KONG 7503 RUEHGH/AMCONSUL SHANGHAI 0761 RUEHSH/AMCONSUL SHENYANG 5618 RHHMUNA/USPACOM HONOLULU HI RUEAIIA/CIA WASHDC RHEFDIA/DIA WASHINGTON DC RUEKJCS/SECDEF WASHINGTON DC

C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 000197

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TAGS: PREL PGOV PINR TW

SUBJECT: CHAIRMAN MA AND ADVISORS LONG-TERM PLANNING ON KMT

CROSS-STRAIT AND FOREIGN POLICY

Classified By: AIT Deputy Director Robert S. Wang. Reason(s): $1.4 \ (B/D)$

- 11. (C) Summary: KMT Chairman Ma Ying-jeou has established a small group of advisors, including legislator Su Chi and several scholars, to discuss long-term KMT cross-Strait and foreign policy. According to one member of the group, Ma would pursue opening to the mainland if elected president in 2008 by acknowledging the "1992 Consensus" (meaning "one China, separate interpretations" in the KMT view) and implementing the three links. Ma's small group is also discussing the need for Taiwan to devise an alternative to "checkbook diplomacy," focusing on a three-part strategy: outreach to China, support for institutions promoting the spread of democracy, and a government personnel evaluation system that rewards officials for building personal links with foreign governments. In his own visits to the mainland, the small group member told AIT that he has found considerable interest in the KMT's transition from a Leninist-style centralized party into a democratic party. End Summary.
- 12. (C) KMT Director of Overseas Affairs Ho Szu-yin told AIT that he is a participant in a group established by Chairman Ma Ying-jeou that focuses on long-term party policies on cross-Strait relations and foreign affairs. The small group, which meets with Ma from time to time, consists of Ho, legislator Su Chi, and several academics. Ho, who continues to serve as a Professor of Political Science at National Chengchi University, laughed that all the members of the small group, not just the academics, are really scholars at heart, even though he, Ma and Su are working in party politics.

Chairman Ma's Small Group

13. (C) Ho explained that Ma's small group is separate from a much larger group of KMT policy professionals organized around KMT Honorary Chairman Lien Chan and the National Policy Foundation (NPF), the KMT think tank which Lien heads. Lien's group, which Ho noted includes KMT Mainland Affairs Department Director Chang Jung-kung and others working within the central party organization itself, focuses on implementing KMT policies. (Note: It is the NPF, for

example, that has invited PRC Taiwan Affairs Office Director Chen Yunlin several times to visit Taiwan, but with no coordination with the Chen Shui-bian administration, thus insuring official disapproval of the application. End Note). Ho said the two groups do interact and have a clear division of labor, with Ma's group focusing on ideas and long-term thinking, and Lien's group putting ideas into practice via conferences, exchange delegations, and other programs.

Cross-Strait Policy

14. (C) Ho told AIT that if Ma is elected president in 2008, he would likely use the "1992 Consensus" as the framework for his approach to the PRC. This would present Beijing with an opportunity to improve cross-Strait relations, Ho argued, giving PRC President Hu Jintao an opportunity to create a much stronger legacy in handling the Taiwan issue than did former President Jiang Zemin. One obvious area where Beijing could make concessions, Ho noted, is withdrawing missiles aimed at Taiwan. Ho also told AIT that Ma would pursue opening toward China by implementing the "three links" (direct trade, post, and communication), but emphasized that the KMT does not support unification. (Comment: Ho seemed to be referring to immediate unification. End Comment.)

Party-to-Party

15. (C) In his several PRC visits each year, Ho said he has found many Chinese Communist Party (CCP) members very interested in and consciously using the KMT as a model for institutional change. During a recent trip to the Shanghai Academy of Social Sciences, he noted, his interlocutors

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showed great interest in the KMT's transition from a neo-Leninist party mechanism to a democratic party structure.

Revamping Foreign Policy

- 16. (C) Turning to foreign policy issues, Ho told AIT that Ma's small group believes Taiwan needs to think like a small state, explaining that small states cannot exert influence on great powers. Ho noted that Ma had requested Lien Chan to inquire about Taiwan's international space during Lien's meeting with Hu Jintao during Lien's April 2005 inaugural visit to Mainland China. Hu responded ambiguously to Lien's query, Ho said, using the standard PRC phrase "qiutong cunyi," meaning "seeking common ground while reserving differences."
- 17. (C) Ho outlined a three-part foreign policy strategy devised by the group, which would alter Taiwan's whole international outreach, since it will be increasingly difficult for Taiwan to outbid Beijing's checkbook diplomacy. The strategy includes (1) outreach to China, (2) funding economic development and democratization projects (a much more effective use of limited funds, Ho intoned), and (3) implementation of a government personnel evaluation system that keys advancement to establishing personal links with foreign governments.

Biographical Note

18. (C) Ho Szu-yin (50) graduated from National Taiwan University (NTU), then earned a doctorate in Political Science at the University of California at Santa Barbara. He concurrently serves as Director of the KMT Department of Overseas Affairs and Professor of Political Science at National Chengchi University (NCCU). Ho told AIT that he begins each work day at NCCU, moves to his KMT headquarters office in late morning, and returns to NCCU in the afternoon.

Ho is also Editor-in-Chief of the "Journal of Chinese Mainland Studies" and previously served as Director of NCCU's prestigious Institute of International Relations. Ho and his wife have three children - two living in the U.S. and one in high school in Taipei.

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